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# Red Balloon Educational Trust Annual Report 2022/23



“

Our son has gone from being out of school, unable to attend for two years, to attending every day and, more importantly, enjoying it.

His first year has been such a lovely journey to witness as a family with his many achievements. We just knew he needed to be in the right place and Red Balloon is certainly it!

”

**Parent  
Red Balloon Worthing**



When anxiety, stress, trauma or bullying make it impossible to be in the classroom, some young people are left with no hope. Red Balloon's support meets students where they are, helping get their education, confidence and happiness back on track, and putting their futures in their hands once more.

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# Introduction from the Chair

2022–2023 was a year for promoting Red Balloon Educational Trust, with new opportunities fast approaching.

One was the opening of Red Balloon Worthing, whose journey had begun in 2021 when a generous donor, Nick Munday, decided there was a need for a Red Balloon Centre in Worthing. He bought a care home, gathered together willing volunteers and set about its refurbishment. Local businesses supplied paint and carpets, organisations gave us furniture, musical instruments, kitchen equipment and much more, local funds were raised. By the beginning of September 2022 the head teacher and administrator had been appointed, teachers and mentors were being interviewed, and excellent local educators, business people and skilled volunteers had been invited to join the governing body.

It had been anticipated that we would have about three quarters of our maximum intake by the summer. But by Christmas we already had the names and details of twenty children who had been referred and while we accepted them gradually, we were full by Easter. There is now a waiting list, proving once again that, especially post-pandemic, a significant number of children are self-excluding school refusers who need an education. The Red Balloon Recovery Programme focuses on a young person's wellbeing and social and emotional skills, as well as academic studies and exams.

Red Balloon Worthing had a successful first year and we could not be more proud of what has already been achieved in such a short space of time. Encouraged by this and the support we had from the West Sussex local

authority, Nick Munday began making plans to open a second Centre in the area with the help of the local governors and RBET trustees

In September 2022 the property RBET owned in Earlham Road, Norwich became vacant and the trustees decided to refurbish it and open RBET-Norfolk there, for 20 children daily and a further number accessing RBAir for academic studies and therapy, and then attending the Centre for social activities. By March 2023 we began getting ready to open the Centre, called RBET-Norfolk, later that year.

Pushing forward with our mission to reach more children across the country, we also opened a new Red Balloon of the Air student hub in Peterborough, expanding our capacity for face-to-face sessions for local children.

The RBAir Centre at Danbury continues to flourish, but the property we rent is limited in space. We therefore intend to move this provision and establish a fully functioning Centre in nearby Chelmsford for daily students as well as those primarily educated online. The hunt is on for money from organisations, donors and charitable foundations.

In September 2022 RBET and Red Balloon of the Air moved into the newly purchased and refurbished property in Milton. Willow Lodge offers a space for the young people on RBAir to take part in community and social activities, such as arts and crafts, baking, science experiments and celebrations, and confidential rooms for therapy and mentoring, as well as office space for RBET.

The move to Willow Lodge with a smaller mortgage repayment than the rent for Winship House helped maintain financial stability during a

time of uncertainty and rising costs, putting us in a strong position to continue to create more places for those in need of Red Balloon.

I take the opportunity to congratulate our students for their achievements over the year. Across RBET in 2022, 48 students, many of whom had been out of school for months if not years, were able to sit exams and obtain qualifications. These young people had previously not been attending lessons and faced many additional mental health barriers to education, learning and to sitting exams. Despite these setbacks, 92% of Red Balloon of the Air students who sat a Maths GCSE received a 4-9 (the old A\*- C grades) and all five students who sat for a qualification at Red Balloon Worthing, after only weeks on the RB Recovery Programme, obtained at least one qualification (in some cases more than one).

More broadly, our students have made strides in building their resilience, confidence and independence. Many joined field trips for the first time, went to the theatre, tried a new activity, and made new friends at their Centre. We're pleased that 43 students this year had the skills and qualifications they needed to move on from Red Balloon and return to mainstream school or enter college, further training or employment.

In mid 2022 we were approached by Jane Cole from Aylesbury who wanted to open a small alternative provision for children finding it impossible to attend a mainstream school. With significant support from the William Harding's Charity (WHC), and together with Jane as the Project Coordinator, we are now on our way to setting up a Centre in Aylesbury with the WHC buying and refurbishing a property for us to rent.



Finally, I should also like to pay tribute to the staff and supporters across RBET: the Heads of Centre, teachers, mentors, administrators, central services staff, therapists, housekeepers, and our generous volunteers for all they have done in the last 12 months to support the recovery of bullied and severely anxious, traumatised young people. Without this great team's spirit, skill, energy, focus and patience our young people would not have succeeded so wonderfully in taking the next steps in their journey of life. Thank you all for your sterling work as we strive to help more and more young people in need.

With warm regards,

A handwritten signature in black ink that reads "Carrie Herbert". The signature is written in a cursive, flowing style.

**Carrie Herbert**  
Founder and Chair of Trustees

## About Red Balloon

Red Balloon is a safe haven for young people between the ages of 11 and 18 who are unable to attend mainstream schools due to serious social, emotional, and mental health difficulties, as well as trauma or unmet special educational needs in their previous schools. These students have missed out on months, if not years, of education and the resulting opportunities and experiences. They become increasingly isolated and lose their confidence and self-esteem. Without intervention, they risk falling through the cracks in our education and mental health systems, making their transition into adult life difficult.

With the generous support of our donors and volunteers, Red Balloon offers a comprehensive and holistic educational programme that focuses on social re-engagement, academic education, and wellbeing. Our students receive the care and support they need to recover their confidence and self-esteem. With us, they rediscover the joy of learning. We empower them to move forward in life by returning to mainstream education, entering into further education or training, or beginning employment.

Even with the pandemic still affecting our students, and with almost 100,000 children missing from schools (Centre for Social Justice, Lost but not Forgotten, 2022), Red Balloon's work is more critical than ever. We are working with commissioners and donors to meet this challenge and ensure that education remains accessible to all.

## About Red Balloon Educational Trust

Red Balloon Educational Trust operates the Red Balloon of the Air provision (since Oct 21) and Red Balloon Worthing (opened Sept 22), as well as continuing to act as the coordinating and service centre for the other four physical Centres. These four Centres are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. The Red Balloon of the Air provision also operated through a separately registered charity and company limited by guarantee until Oct 21.

## Our year at a glance

Our students achieve amazing things. Of the 50 students who took GCSE exams and other qualifications in the 2022-23 year:

**75% pass rate in GCSE exams**

**96% pass rate in non-GCSE exams**

This year, we supported:



This year, our students achieved:

**70% attendance across all Centres**

This year, we provided:

**25619**  
*lessons*



**1293**

*wellbeing sessions*



**9**

*after school clubs*



# Our locations

Our RBET Centre, based at Willow Lodge in Milton, on the outskirts of Cambridge, is home to the blended online and face-to-face provision, Red Balloon of the Air, but covering various different counties, with several face-to-face hubs. RBET's Central Services team is also based at Willow Lodge.

In September 2022 RBET opened a new physical Centre in Worthing, and in April 2022 another RBAir face-to-face hub was opened in Peterborough.

The four other Red Balloon Learner Centres are run by four separately registered charitable companies limited by guarantee, operating under the Red Balloon name by way of an association agreement. They are based in domestic houses in Cambridge, Norwich, NW London and Reading.



-  RBET
-  Red Balloon of the Air face-to-face hubs

Red Balloon Educational Trust supports students across the counties highlighted above.

## New Centre: Red Balloon Worthing

In the autumn of 2022, we opened Red Balloon Worthing, our first physical Centre under the new Trust umbrella.

Red Balloon Worthing can take up to 20 students who attend on a full-time basis. In addition, up to 25 young people who are on Red Balloon of the Air can participate in the in-person elements of the programme such as community sessions, therapy or mentoring. This means Red Balloon Worthing has increased our capacity by 45 students.

Red Balloon Worthing is the result of an enormous amount of collaboration and generosity from the local community. Thanks to Nick Munday, a local businessman, benefactor, and now Trustee of RBET, we are able to rent our building at a significantly reduced rate, helping to ensure financial stability and longevity for the Centre and the students it will help. We were also able to refurbish the building to create a space that meets the specific needs of our cohort and allows us to use the building in the most effective way.

The refurbishment was completed with help from wonderful volunteers like those at the Carpenter Box Foundation, and we received many donations and gifts of furniture, musical instruments and other supplies that have made the Centre feel cosy, welcoming and a great place to begin learning again.

While we normally estimate a Centre will have 20 students by the end of its second year, Red Balloon Worthing reached this milestone in less than one. It has been wonderful to have such a full and vibrant student community so early on in the Centre's life, but has also been indicative of a growing need we're seeing across the country for a different kind of education.

Over the first year, the staff and students have had some amazing adventures and done a tremendous amount of work. Students have conducted science experiments, cleaned up their local beaches, visited museums and celebrated everything from Anti-Bullying Week to World Book Day to Lunar New Year! Towards the end of the academic year, five students took a courageous step and decided to sit exams. This in itself is a huge achievement, but as the cherry on top, all five students passed each exam they took, receiving at least one, and in some cases more than one, qualification.

We're so thankful to all our supporters, donors and volunteers for helping us to bring this project to fruition, and most of all, we are proud of all the students and staff at Red Balloon Worthing, who have made this an exceptionally strong first year.



**Worthing mayor Henna Chowdhury, East Worthing and Shoreham MP Tim Loughton and Rachel Munday, who helped set up the centre, cut the ribbon to officially open Red Balloon Worthing.**

## Message from the Director of Education

Red Balloon Educational Trust consists of Red Balloon of the Air, Red Balloon Worthing and a central services team that provide the underpinning support and organisational development for the network of associated Learner Centres. During this reporting period the central services team provided strategic, educational, wellbeing, IT, HR, fundraising, communications and administrative support, so that staff in the Centres can focus on what they do best – changing the lives of bullied and vulnerable young people.

**This year we continued to focus on growth and expansion. Our focus is always the young people who can benefit from our program, and we aim to assist as many as possible.**

2022-23 saw the continuation of our plan to grow our operation to support more young people. The leaseholders of our property in Earlham Road, Norwich (Red Balloon - Norwich, a separate entity) moved to new premises allowing us to develop the building to provide a new facility, RBET - Norfolk, under the direct operational control of Red Balloon Educational Trust. The work to open this new Centre as a registered school will be completed in 2023-24.

Willow Lodge, the base for Red Balloon of the Air and Red Balloon Central Services acquired in 2021-22, has been further developed during this period to provide additional provision for post 16 students. This has been another area of growth for the charity, working with young people who benefit from additional time to build the social skills they need to become resilient, confident and self-sustaining members of the adult community.

Red Balloon Worthing was successfully registered as an independent school with the Department of Education and opened to students in September 2022. Demand exceeded expectations, and by the time this reporting period ended, it was operating at full capacity and was rapidly gaining a local reputation for excellence. This is a testament to the work of Kim Anderson, Head of Centre, and her team. The Centre anticipates its first formal Ofsted inspection in the 2023-24 reporting period and so it is focusing on establishing the systems, practices and processes that will ensure the excellence of its student provision is sustainable over time.

We are thankful for our donors whose generosity has allowed us to plan with increased certainty. Each donation has made a great impact and enabled further mental health support for our students to meet their increased needs. We operate in a climate that has seen the scale of need grow substantially, but access to services become increasingly limited. We are happy to be a part of the solution to this national crisis and are planning to do more. As ever, we wish weren't needed, but as a country, we seem further away from this panacea than at any time in our history.

Warm regards,



**Rob Watson**  
Director of Education



**“Student wellbeing is still at the centre of everything we do, and we'll keep helping our youth overcome any obstacles that may come their way.”**



## Our values, ethos and practice

Red Balloon Learner Centres were established for the recovery of severely bullied, traumatised or highly anxious children and young people who are missing education.

The students are typically those who self-excluded and had been out of school for some time, in some cases years. They have lost their confidence in learning, making friends, their trust in adults and the education system. The Recovery Programme that was developed has three components: a robust and negotiated curriculum, an integrated therapy and creative arts programme, and local community activities.

The breakdown of these three areas is based on the learners' needs. Often when they first arrive it is important to create a safe space, so therapy, community activities and the creative arts provide the opportunity to build confidence before academic learning can begin.

### Students are given support to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the necessary learning skills to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

### To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**

# Wellbeing

*Social, emotional and psychological support is critical to our young people's ability to recover, learn and succeed.*

“ My mental health experience at Red Balloon has been so, so much better than at any of my other schools. ”



It's vital for every child to have a nurturing environment that promotes their self-confidence, resilience, and emotional and social wellbeing.

Wellbeing support is integral to all our sessions at Red Balloon. Not all young people can attend mainstream education due to reasons including bullying, trauma, mental ill-health, emotional-based school avoidance, and lack of support. Our approach is to prioritise wellbeing for all students. By working closely with our licensed therapists, we help students regain their self-belief and self-worth. We ensure that psychological support is integrated into their daily schedule as a crucial part of their emotional recovery and further success.

At Red Balloon, we also offer a range of wellbeing activities, such as non-competitive sports, yoga, and meditation, to help students recharge and move beyond their comfort zones. For students who struggle with social interaction and trust, we provide animal-assisted therapy, which has been shown to be effective in encouraging students to come out of their shells.

Our mentors play a critical role in supporting students' emotional and social recovery. For students who are too anxious to attend in-person sessions, mentors visit them at home and work with them one-on-one to develop the confidence and skills needed to thrive outside their homes. They act as a role model, mentor, and first point of contact for students and support them in achieving their personal goals. When it's time for students to move on, mentors continue to offer support as they embark on their next venture.

We believe that students' wellbeing is key to their ability to learn, grow, and succeed. Mental health and emotional recovery are priorities for all of our young people.

# Education

*Tailored lessons that match our students interests and abilities and goals to rekindle a passion and love of learning once more.*

“

I'm so fortunate to be here at Red Balloon and finally love learning again.

”

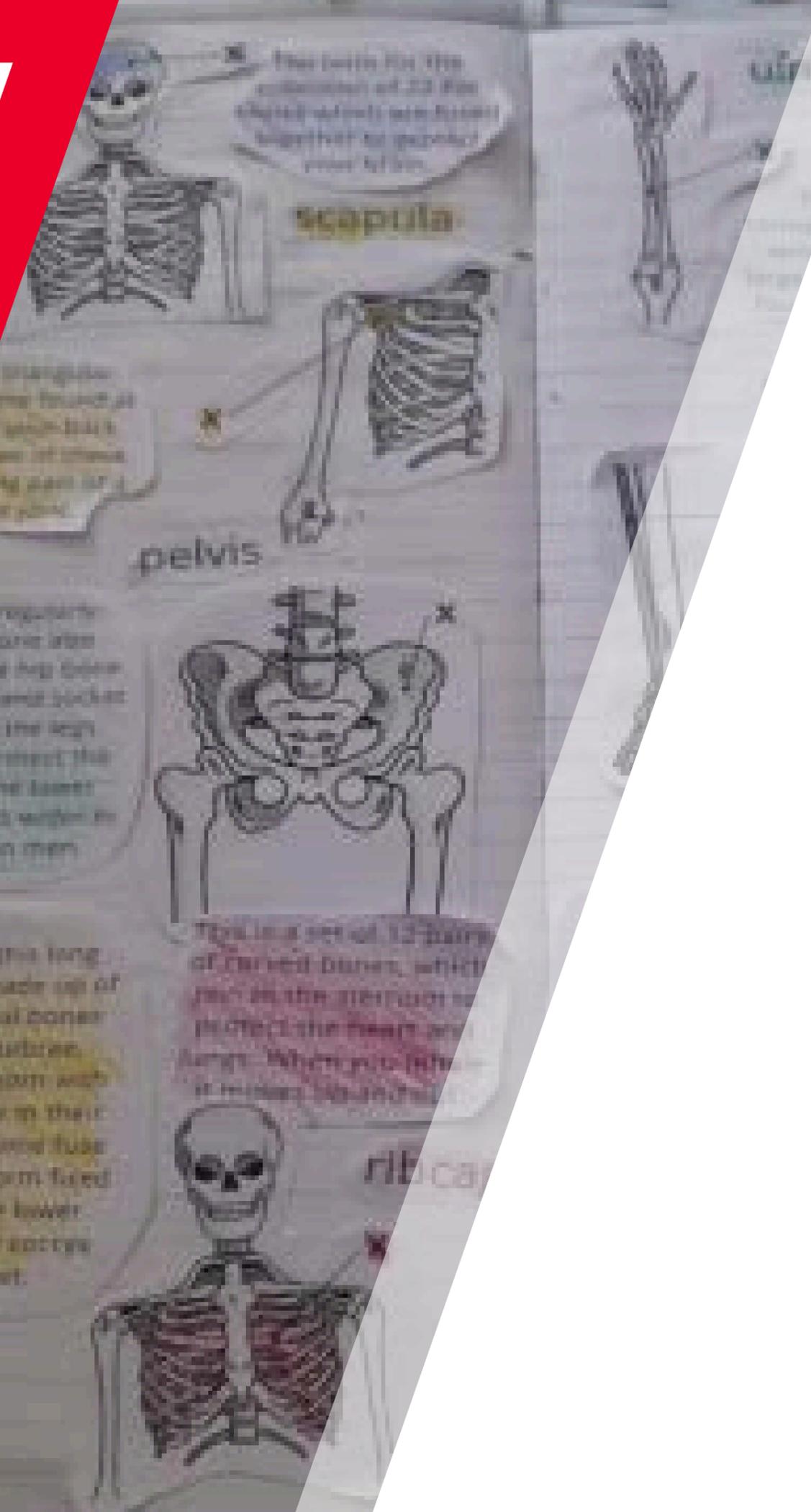
*Young people learn in all sorts of ways. When we give them the chance to collaborate on a learning plan that helps them reach their goals, includes their interests and meets their learning needs, they get excited to arrive and learn at Red Balloon every day.*

Returning to learning after a long period away can be incredibly challenging, both academically and emotionally. It's therefore vital that we make learning a fun, exciting and shame-free experience. With a negotiated curriculum we meet the student where they are and engage with their interests. We ask them about their goals and how they think they learn best. Together we create an individualised curriculum that prepares them for their next steps, builds their academic and critical thinking skills and helps them to feel confident in their skills, excited to learn and curious about the world around them.

To help ease the transition back into a learning environment students might start off with a few 1:1 sessions with their teacher. This helps them build a trusting relationship, and when they're feeling a bit more confident, they'll join a small group of others. This ensures they can work at their own pace, ask lots of questions and collaborate with their peers without getting overwhelmed.

For young people who've had very negative experiences with school or for those with additional sensory needs, the physical environment of a school building can be scary and overwhelming. Our Centres and Student Hubs are designed with this in mind, being in the main converted houses, so they immediately have a homely, safe feeling. We have comfy chairs, cosy corners and quiet spaces where students can go if they're getting overwhelmed and need a break. Instead of uniforms, students get to wear clothes that feel comfortable to learn in and express their own personal style. To make it feel even less like a formal school, young people call staff by their first names and every day, the students and staff gather to enjoy a home cooked lunch, check in with each other and discuss matters for the day.

All students have access to English, Maths, Sciences, Humanities and Personal, Social, Health and Economic Education (PSHEE). Further subjects vary from Centre to Centre, depending heavily on student interest, but some popular subjects have been Psychology, Animal Care and Art. Of course, if a student has a particular area of interest they wish to pursue further or are looking to gain a qualification in, we make every effort to support them in this. Students also have access to extracurricular activities like trips and clubs.



## Social re-engagement

*Helping students to develop the skills and confidence to comfortably engage with their peers and wider communities.*

“

This year I'm most proud of the fact that I started going to social groups at the Centre. Everyone in the community has been really welcoming and nice.

”



We want our young people to build positive and genuine relationships, find a sense of belonging and feel confident engaging with the wider world.

Prior to finding Red Balloon, most of our students were not attending school and some were unable to leave their homes or even their bedrooms. Without the routine of school, many had lost connections with friends, and were missing out on the day-to-day interactions we take for granted. Losing these interactions not only means our students can become lonely and isolated, but means they miss out on the chance to develop vital interpersonal skills, making connecting with others even harder.

Students may need help, for example, with learning how to talk to new people, use the bus independently, make a phone call or use a cash point. Staff help students build their confidence to carry out these everyday interactions and to develop their self-confidence at a pace that ensures their personal growth is sustainable. This may mean carefully coaxing the young person to take a step outside, take a walk and more, until they decide they are ready to move to the next step.

Celebration days and trips planned by students further support their personal and social development. These events encourage them to research, plan, coordinate together and navigate real-world tasks such as public transport, all of which are big achievements as well as being fun opportunities to experience something new.

When students are ready to move on from Red Balloon they may need help with moving into a new environment. This might include assisting them to plan their route to college, explore the campus in advance or identify and meet people who can help them if they need support.

Social re-engagement can be a slow process, but it is incredibly rewarding for students who, for a long time, didn't have friends, didn't feel they could trust the adults around them and had become increasingly fearful of everyday interactions with the wider world. It is wonderful when staff get to send them on to their next adventure and can visibly see the shift in their confidence and willingness to engage with others and take those everyday risks.

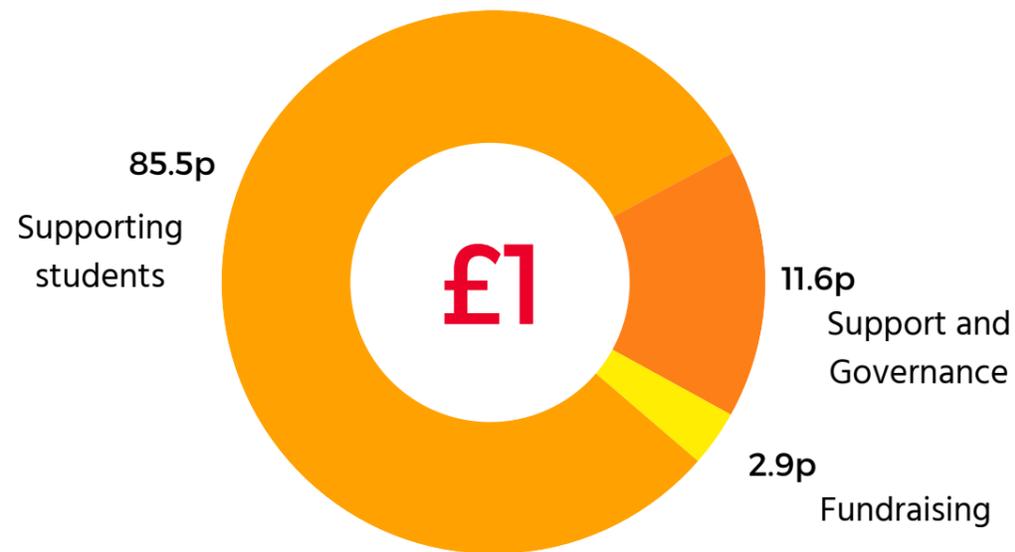
# Fundraising: a year of amazing support

We couldn't do what we do without our incredible supporters who have donated money, time, and expertise to keep our Centres running and help us reach more young people in need of our provision. It is thanks to them that our young people are able to turn their lives around.

A very special thanks to our supporters below

- |                                       |  |
|---------------------------------------|--|
| BBC Children in Need                  | Katriona Scoffin                           |
| Birketts LLP                          | National Philanthropic Trust and the       |
| Cambridge Intelligence                | Eligator and Sansom fund                   |
| Cambridgeshire Community Foundation   | Network for Social Change Charitable Trust |
| and the Marshall Community First Fund | Nic Humphries                              |
| Caprice Wind Orchestra                | Philip King Charitable Trust               |
| Carpenter Box Charitable Foundation   | Russel Matthews and Emma Helby             |
| Clare King Charitable Trust           | The Stockwell / Cliffe Charitable Trust    |
| David Soanes                          | Tesco Stronger Starts                      |
| Diarmuid Ó Séaghdha                   | The Armourers & Brasiers' Gauntlet Trust   |
| The Foyle Foundation                  | The Clare Foundation                       |
| The Garfield Weston Foundation        | The Ingles Charitable Trust                |
| Jane Cole                             | The New Inn                                |

**For every £1 we spent in 2022/23 in the Red Balloon Educational Trust consolidated group, 85.5p went on direct costs supporting students.**



We cannot operate effectively without good management and fundraising efforts.



## Supporter case study: Ralph Burditt

Local Cambridgeshire resident Ralph Burditt has supported Red Balloon since 2017, when he got involved with a fundraiser to refurbish Red Balloon Cambridge's Art Room. Fundraising throughout the year Ralph and team raised a wonderful £2804.37. Since then he has been a stalwart supporter and an incredible ambassador, raising awareness of Red Balloon and all we do.

### *Supporter Ralph tells his story, from his first interactions with Red Balloon to his future plans.*

I first heard about Red Balloon from a colleague at work. I was looking for a local charity for my team to support and as someone who was bullied at school themselves, the Red Balloon story spoke to me.

We decided to raise some money to help refurbish the Art Room and did an event at work called "Wear Red for Red Balloon" in which we encouraged employees to wear something red to work and make a donation. It went pretty well, and we raised around £300.

Our first event only raised about 1.5% of the total money needed, so we wanted to raise some more! A few of us ran the Greater Cambridge 10k together and raised almost £3,000, which was fantastic!

We've done more Wear Red for Red Balloons since that first, and four cycling events called Red Balloon Rides - which were born out of the need to have a remote event (as the office was empty). The Red Balloon Rides have been really successful and I'm really proud not only of how much we raised, but also that Red Balloon adopted them as an "official" event.

The rides have all been great in their own way, but my favourite was the last one in 2022, when I got the chance to visit all of the Centres and

meet some of the wonderful people who make Red Balloon tick. It also included some pretty epic bike rides, including 250km over two days to Worthing.

“I'd like to find new and different ways to raise money, and to keep promoting Red Balloon so that they can reach more children in need of support.”

Red Balloon's work is absolutely essential. What really brought this home to me was when I was fortunate enough to meet some young people that Red Balloon has helped and to hear their stories. Hearing firsthand how Red Balloon has completely changed their lives was thoroughly inspiring. Some of the children which Red Balloon has helped have been completely isolated and at the point of wanting to end their lives. Red Balloon has got them back to feeling positive about themselves, back into education and looking forward to the future. That's pretty great, if you ask me.



Red Balloon of the Air Essex Lead Phil White greets Ralph (left) at the RBAir Student Hub in Danbury on day 27 of his Red Balloon Ride 2022 challenge.

# Our plans for the future

Our strategic objectives for the next three years are to:

## Improve the way students are supported

- Open more Red Balloon Centres and offer more places at each Centre, using RBAir, to meet the needs of the growing number of severely bullied and highly anxious children and those with trauma-informed backgrounds who are unable and unwilling to attend mainstream school
- Raise the standards at all Red Balloon Centres with regard to our educational, wellbeing, and personal recovery programme. Ensure staff understand and apply RB's Philosophy and Practice and are at the forefront of best practice, offering a first-class support to students
- Provide opportunities for professional development through regular meetings with staff from each of our Centres to exchange best practice, discuss current trends in education and discuss relevant and challenging theories of learning
- Continue to develop secure safeguarding systems, encouraging appropriate training for all staff and streamlining administrative processes and logistical tasks, thereby improving efficiency and reducing the time and costs associated with such work.

## Reach more isolated and vulnerable children

To meet the growing need, we shall expand Red Balloon provision so we can reach more bullied, anxious and traumatised children.

This past year we have achieved this goal by:

- opening a new Centre in Worthing, West Sussex.
- expanding Cambridge and NW London Centres - by 20 children each.
- opening a hub in Peterborough.

And we will continue to work towards this aim by:

- opening a further additional Centre in Aylesbury
- planning to expand RBAir Danbury and move it to Chelmsford, and opening a second Centre in West Sussex
- continuing to support an increasing the number of students on Red Balloon of the Air.
- exploring ways to establish hybrid Centres that offer places for 20 children to attend daily and for a further 25 children (who have academic studies and therapy online with RBAir) to have the opportunity to use the Centre in the late afternoons, for social and community activities as well as drama, art, music and science experiments.

## Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so that every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will raise the attention of local authorities and other educational bodies to the importance of student wellbeing, particularly in regions which we have identified for growth.

## Manage our charity as effectively and efficiently as possible

- We will continue to open more Centres under the umbrella of Red Balloon Educational Trust. Red Balloon of the Air and Red Balloon Worthing are part of RBET.
- We will continue to review our procedures to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to our organisation.
- We will maintain pressure on the Department for Education to accredit online education in line with its commitment in June 2020.
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will continue to develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies, particularly at RBAir, to enhance the ways that staff support students.



Financial review

Risk assesment

Structure, governance  
and management

# Financial review

Red Balloon Educational Trust (RBET) ('the Charity') operates Red Balloon's blended online and face-to-face provision, Red Balloon of the Air (RBAir Education Activity), since Oct 21, and Red Balloon Worthing (RB-W), which opened in Sept 22. Prior to Oct 21, the RBAir Provision was operated through a separately registered charity and company limited by guarantee, Red Balloon of the Air ('RBAir Company'). In addition, RBET continues to act as the coordinating centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich, North West London (in Harrow) and Reading. These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement.

On 12 October 2021, the operations, assets and liabilities of RBAir Company, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. The group results for 2022-23 and the prior year include RBAir Company, as required by UK accounting standards. During 2020-21, RB-Reading and RB-Cambridge were consolidated for part of the year, until their disposal in May 2021.

Consolidated income increased by £500k (2022: £1,057k decrease) on prior year to £2,904k (2022: £2,404k). Fees and related income increased by £870k (2021: £1,216k decrease) to £2,345k (2022: £1,475k), £449k (2022: £52k decrease) of which was due to 30.5% higher fee income (2022: 3.4% lower fee income) from RBAir Education Activity and the balance of £421k in respect of the new RB-W Centre. Income from donations and grants decreased by £177k (2022: £47k) on prior year to £429k (2022: £606k). Fundraising events, included in other trading activities decreased by £144.5k (2022: £147k increase) to £2.5k (2022: £147k), mostly in relation to a Giving Dinner held in Oct 2021 which had raised £143k.

The significant decrease in income in the prior year can mostly be attributed to RB-Reading and RB-Cambridge's results being included for part of the year in 2020-21.

Consolidated expenditure increased by £453k (2022: £1,294k decrease) on prior year to £2,621k (2022: £2,168k). The large decrease in the prior year was due to £850k in relation to the disposal of RB-Reading and RB-Cambridge and £770k of their expenditure for part of the year having been included in 2020-21. There was £454k increase (2022: £326k), 21% (2022: 18%) in expenditure for RBET and RBAir Education Activity combined, £55k of which related to various set up costs for the new Red Balloon Educational Trust Norfolk (RBET-N) Centre (2022: £69k set up costs for RB-W).

Overall, there was a consolidated surplus of £283k (2022: £228k), of which £283k (2022: £241k) was attributable to the Charity and £Nil (2022: £13k deficit) to RBAir Company.

RBAir Education Activity's fee income increased by £449k in 2022-23 (2022: £52k decrease) to £1,924k (2022: £1,475k) due to increase in fees and the increased proportion of high-needs students in the cohort. £Nil (2022: £148k) of the fees were in RBAir Company and £1,924k (2022: £1,327k) in RBET as all activity is now carried out through RBET. RBAir Education Activity's expenditure increased by £133k (2022: £154k), £166k increase in staff costs but £94k decrease in property costs, due to the 5 months overlap of the Winship House and Willow Lodge properties in the prior year and the Willow Lodge property being more cost effective. At 31 August 2023, RBAir Company held £31k (2022: £31k) of unrestricted reserves and the only transactions going through RBAir Company in 2022-23 were in relation to the Danbury lease, which was recharged in full to RBET, and trivial amounts of bank interest received and bank charges.

RB-W Centre's fee income was £421k (2022: £Nil) and their expenditure was £427k (2022: £69k set up costs).

The Charity's net assets increased by £283k (2022: £607k) to £3,026k (2022: £2,743k) in the year. Its income increased by £262k (2022: £1,786k) to £2,904k (2022: £2,642k). £1,017k increase (2022: £1,327k) in fee income due to the additional fee income from RB-W Centre, increase in RBAir Education Activity fees as well as their entire year fees being generated through the Charity in 2022-23. £366k decrease (2021: £366k increase) in respect of the donation on the transfer of RBAir in the prior year, £171k decrease (2022: £108k increase) from donations and grants income, £Nil (2022: £5k decrease) in relation to the Coronavirus Job Retention Scheme, £145k decrease (2022: £147k increase) in income generated from fundraising events, £43k decrease (2022: £Nil) in investment income due to a reduction in rental income partly offset by interest income and £30k net decrease (2022: £157k) in other income categories, including levies and recharges to other Red Balloons, which are no longer charged to RBAir Company, following the transfer of the RBAir Education Activity to RBET. Costs increased by £596k (2022: £1,398k) to £2,621k (2022: £2,025k) due to higher expenditure in the following areas: £667k in staff costs (2022: £1,112k); £42k (2022: £25k) in education activity costs; £20k (2022: £Nil) dilapidations provision; £33k (2022: £16k lower) in depreciation and amortisation charges and £26k net increase (2022: £51k) in other areas. This was partially offset by lower expenditure of £1k (2022: 4k) in fundraising expenses, £8k (2022: £26k higher) in bursaries awarded; £39k (2022: £76k higher) in premises costs, £97k (2022: £81k higher) in recruitment and professional costs and £47k (2022: £47k higher) in respect of programme related investments impairment. Some of the increase in costs in the current year can be attributed to RBAir Education Activity's costs being included for the entire year (2022: 10.5 months).

At 31 August 2023, the consolidated group's net assets amounted to £3,057k (2022: £2,774k), of which approximately £1,570k (2022: £1,766k) is in fixed assets (net of mortgages).

## Investment policy and performance

During 2022-23, surplus funds were held in CAF Bank savings accounts, paying interest at the end of the financial year at approximately 2.5% pa (2022: 0.5% pa). In the prior year, some funds were also held with Investec but during 2021-22, Investec funds were liquidated and transferred in full to the CAF Bank savings accounts. Around 65% of the Investec funds had been held as cash paying 0% pa at the start of the prior year and from April 2022, 0.15% interest. Of the 35% non-cash Investec funds, 10% had been held in fixed interest investments and 25% in UK and international equities. In the first quarter of 2023-24, a COIF Charities Deposit Fund, categorised as a short-term Low Volatility Net Asset Value Money Market Fund, was opened with CCLA. There is no minimum holding period and allows for withdrawals on any business day, without having to pay a penalty. The trustees believe splitting surplus funds between the CAF Bank savings account, currently paying interest at 2.5% pa and the CCLA COIF Charities Deposit Fund, currently paying interest at approximately 5.1% pa, appropriately balances the need for ready access, good security and investment return.

## Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and having assessed the various risks to the Charity, believe a policy to maintain a minimum level of free reserves at three to six months of the forecasted future annual operating costs is appropriate. Free reserves are calculated as unrestricted reserves, less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2023, the Charity held free reserves of £1,238k (2022: £755k), equating to around 4.6 months (2022: 4.3 months) operating costs. The trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year. Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

## Going concern

The RBAir Education Activity student numbers had remained stable in 2022-23 but student intake and enquiries have been low in 2023-24, although it is forecast that a surplus will still be generated at a departmental level. RB-W Centre, having reached its full capacity in the first year of operations, has been operating steadily and continues to do so. RBET-N, with various further start up costs, has incurred significant expenditure in 2023-24. Grants and donations income has been lower again in 2023-24, compared to the previous couple of years but the focus has been to expand the Red Balloon provision and open further Centres to support more young learners, which will also lead to future sustainability. RBAir Education Activity and the RB-W Centre are both forecast a surplus; however this will not be enough to offset the deficit in other departments in 2023-24. RBET-N, having enrolled its first students in March 2024, an overall surplus in 2024-25 is expected. Following detailed review of the Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.

## Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

### Major risks, and impact

### Mitigating actions and responses

**Inadequate service provision** – students fail to improve and are unable to return to mainstream education or training.

Taster day for potential students to experience Red Balloon and agree to its operating principles.  
Individually negotiated curriculum for each student, and proper assessment of their needs.  
Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating.  
Regular assessment of students' overall progress; student feedback and discussion; adaptation of curriculum and approach as needed.  
Training for staff to keep up to date with subject material and regulations.

**Student safeguarding** – students harmed or self-harming.

Management will ensure staff members are conversant and compliant with safeguarding policies, and ensure their training is up-to-date.  
Appropriate de-escalation procedures are in place in the event of an incident.  
Health & safety risk assessment policies up-to-date and inspections carried out at appropriate intervals.  
Central monitoring of compliance at Learner Centres and RBAir.

**Changes in government policy or regulation** – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.

Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provisions as required.  
Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations.  
Engagement with educators on support for bullied, traumatised or highly anxious children.

**Financial insolvency** – inadequate funding to cover expenditure

Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students.  
Proper budgeting and efficient cost management.  
Monitoring cash balances with an appropriate level of reserves on hand.

**Cyber Security** - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation

Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved multi-factor authentication procedures. Compliance with Government backed "Cyber Essentials" framework as of April 2023.

**Loss of IT data and/or access to central systems** – resulting in confidential data loss and/or operational disruption including online provision.

Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access.  
Appropriate password protection maintained and offsite/cloud backup in line with IT policies.  
Confidential personal information is identified and encrypted.  
A second and distinct data line maintained for RBAir.  
Practices reviewed and updated in line with "Cyber Essentials" requirements.

# Structure, governance and management

## Constitution

The Charity is registered as a charitable company limited by guarantee. The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

## Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Job roles are clearly described and the appropriate level of skills and experience required is clearly defined. Positions are advertised and formal applications requested. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustees meeting as an observer. No person or external body other than the trustees is entitled to appoint trustees.

## Policies adopted for the induction and training of trustees

- i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
- ii) All new trustees meet with the Chair, the Executive Officer, the President and the Financial Controller. The Chair explains the aims of the Charity.
- iii) The President describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
- iv) The Financial Controller acquaints them with the financial basis of the Charity.

- v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
- vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a trustee.
- vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee are carried out at a full Trustees' meeting.

## Organisational structure and decision making

- i) The Charity operates from its premises at Willow Lodge in Milton, Cambridge. The Executive Officer oversees individuals with responsibility for the RBAir, RB-Worthing and RBET Norfolk provisions, development and fundraising, marketing and communications, IT, finance and human resources.
- ii) Day-to-day decisions are made by the Executive Officer, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
- iii) The Board of Trustees meets formally approximately every six weeks, when they receive and discuss written reports from the Executive Officer and Financial Controller.
- iv) Major policy and project proposals are brought to the attention of the trustees by the Executive Officer, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
- v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

# Structure, governance and management

## Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 11.

## Fundraising standards information CA 162A

Red Balloon Educational Trust (RBET) raises some funds from the public.

1. RBET undertakes fundraising through our internal resources and we do not commission a professional fund-raiser/commercial participator for these;
2. RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
3. RBET monitors fundraising activities via the board reports and via fortnightly meetings;
4. RBET received no complaints during the year about activities for the purpose of fundraising;
5. RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:
  - a. Unreasonable intrusion on a person's privacy;
  - b. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
  - c. Placing undue pressure on a person to give money or other property.

## Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. Donorfy Customer Relationship Management system is used to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

## Public benefit

The Trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children (11-18) who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

## Structure, governance and management

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

### Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

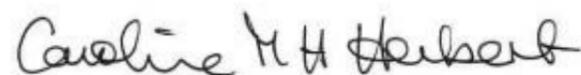
### Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

### Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 14 May 2024 and signed on their behalf by:



**Caroline Herbert**

## Administrative details of the charity, its trustees and advisors

<b>Charity registration number</b>	1109606
<b>Company registration number</b>	05385341
<b>Trustees and Directors</b>	Dr Carrie M H Herbert, Chair (from 21 August 2023) & President Ms Beverley A Williams, Chair (resigned 21 August 2023) Revd Prof Michael J Reiss Mr Simon P Mace (resigned 23 November 2022) Ms Jennifer R Raine (resigned 3 February 2023 and reappointed 23 August 2023) Mr Nicholas H P Munday (appointed 5 October 2022) Ms Elizabeth A Laybourn (appointed 23 August 2023) Ms Ruth Loshak (appointed 22 August 2023) Ms Janet Scotcher (appointed 30 April 2024)
<b>Executive Officer</b>	Director of Education: Mr Robert Watson
<b>Company Secretary</b>	Dr Carrie M H Herbert
<b>Principal/Registered office</b>	Willow Lodge 37 High Street Milton Cambridge CB24 6DF
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Auditor's report and  
financial statements  
for the year ended  
31 August 2023



# Independent Auditor's Report to the Members of Red Balloon Educational Trust

## Opinion

We have audited the financial statements of Red Balloon Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at [date], and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# Independent Auditor's Report to the Members of Red Balloon Educational Trust

## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

# Independent Auditor's Report to the Members of Red Balloon Educational Trust

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustee's report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the group and the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the group and the parent charitable company this included employment law, financial reporting and health & safety.

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the parent charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the charity.
- We reviewed the risk management processes and procedures including a review of the Board assurance reporting.

# Independent Auditor's Report to the Members of Red Balloon Educational Trust

## Auditor responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Suzanne Goldsmith FCA (Senior Statutory Auditor)**

for and on behalf of  
**PRICE BAILEY LLP, Statutory Auditor**  
Chartered Accountants  
Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

Date: 29 May 2024

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Restricted £	Unrestricted £	2023 Total £	2022 Total £
<b>INCOME</b>					
Donations and grants	2	214,547	214,619	429,166	606,160
Charitable activities	3	-	2,389,899	2,389,899	1,524,001
Other trading activities	4	-	2,581	2,581	147,450
Investment income	5	-	82,518	82,518	125,303
Other income	6	-	-	-	1,537
<b>Total income</b>		<b>214,547</b>	<b>2,689,617</b>	<b>2,904,164</b>	<b>2,404,451</b>
<b>EXPENDITURE</b>					
Costs of raising funds	7	(21,158)	(55,028)	(76,186)	(70,641)
Charitable activities	7	(158,367)	(2,386,709)	(2,545,076)	(2,097,083)
<b>Total expenditure</b>		<b>(179,525)</b>	<b>(2,441,737)</b>	<b>(2,621,262)</b>	<b>(2,167,724)</b>
<b>Net income in the year and net movement in funds before gains and losses on investments</b>		<b>35,022</b>	<b>247,880</b>	<b>282,902</b>	<b>236,727</b>
Net losses on investments	16	-	-	-	(8,373)
<b>Net income in the year</b>		<b>35,022</b>	<b>247,880</b>	<b>282,902</b>	<b>228,354</b>
Transfer between funds	24c	(39,823)	39,823	-	-
<b>Net movement in funds</b>		<b>(4,801)</b>	<b>287,703</b>	<b>282,902</b>	<b>228,354</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	24b	222,383	2,551,869	2,774,252	2,545,898
<b>Total funds carried forward</b>	24a	<b>217,582</b>	<b>2,839,572</b>	<b>3,057,154</b>	<b>2,774,252</b>

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 48 to 69.

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**REGISTERED COMPANY NUMBER: 05385341**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Intangible fixed assets	14	-	5,167
Tangible fixed assets	15	1,724,119	980,089
Programme related investments	17	1,272,141	1,972,881
<b>TOTAL FIXED ASSETS</b>		<b>2,996,260</b>	<b>2,958,137</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	18	109,023	213,926
Programme related investments	17	-	700,000
Cash at bank and in hand		1,604,724	1,135,061
<b>TOTAL CURRENT ASSETS</b>		<b>1,713,747</b>	<b>2,048,987</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	19	(239,887)	(372,666)
<b>NET CURRENT ASSETS</b>		<b>1,473,860</b>	<b>1,676,321</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,470,120</b>	<b>4,634,458</b>
Creditors: amounts falling due after more than one year	20	(1,392,966)	(1,860,206)
Provisions for liabilities	21	(20,000)	-
<b>TOTAL NET ASSETS</b>		<b>3,057,154</b>	<b>2,774,252</b>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted funds:			
-General funds	24a	1,269,208	785,520
-Designated funds	24a	1,570,364	1,766,349
Restricted funds	24a	217,582	222,383
<b>TOTAL FUNDS</b>		<b>3,057,154</b>	<b>2,774,252</b>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 48 to 69 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 14 May 2024 and signed on their behalf by:

*Caroline M H Herbert*

Caroline Herbert - Trustee

*Jenny Raine*

Jennifer Raine - Trustee

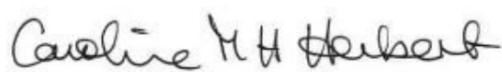
**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**REGISTERED COMPANY NUMBER: 05385341**  
**CHARITY BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Intangible fixed assets	14	-	5,167
Tangible fixed assets	15	1,724,119	980,089
Programme related investments	17	1,272,141	1,972,881
<b>TOTAL FIXED ASSETS</b>		<b>2,996,260</b>	<b>2,958,137</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	18	109,023	213,521
Programme related investments	17	-	700,000
Cash at bank and in hand		1,597,885	1,110,681
<b>TOTAL CURRENT ASSETS</b>		<b>1,706,908</b>	<b>2,024,202</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	19	(263,910)	(378,686)
<b>NET CURRENT ASSETS</b>		<b>1,442,998</b>	<b>1,645,516</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,439,258</b>	<b>4,603,653</b>
Creditors: amounts falling due after more than one year	20	(1,392,966)	(1,860,206)
Provisions for liabilities	21	(20,000)	-
<b>TOTAL NET ASSETS</b>		<b>3,026,292</b>	<b>2,743,447</b>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted funds:			
-General funds	24a	1,238,346	754,715
-Designated funds	24a	1,570,364	1,766,349
Restricted funds	24a	217,582	222,383
<b>TOTAL FUNDS</b>		<b>3,026,292</b>	<b>2,743,447</b>

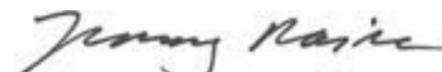
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 48 to 69 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 14 May 2024 and signed on their behalf by:



Caroline Herbert - Trustee



Jennifer Raine - Trustee

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
<b>Cash Flows from Operating Activities</b>			
Net cash provided by operating activities	29	328,921	293,111
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(96,785)	(981,409)
Proceeds from sales of property, plant and equipment		3,419	2,968
Proceeds from sale of programme related investment		700,000	-
Proceeds from sales of fixed asset investments		-	177,114
<b>Net cash provided by / (used in) Investing Activities</b>		<b>606,634</b>	<b>(801,327)</b>
<b>Cash Flows from Financing Activities</b>			
Borrowing – mortgage on 37 High Street		-	600,000
Repayments of borrowing		(465,892)	(29,655)
<b>Net cash used in Financing Activities</b>		<b>(465,892)</b>	<b>(570,345)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>469,663</b>	<b>62,129</b>
Cash and cash equivalents at the beginning of the reporting period	30	1,135,061	1,072,932
<b>Cash and cash equivalents at the end of the reporting period</b>	30	<b>1,604,724</b>	<b>1,135,061</b>

The attached notes on pages 48 to 69 form part of these financial statements.

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. See further details of subsidiary entities in note 28.

On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on a property, were transferred to the Charity. The group results for 2022-23 and the prior year include Red Balloon of the Air, as required by UK accounting standards. See note 28.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**b) Going Concern**

The Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**c) Legal status of the Charity**

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 37. The number of members during the year was 5 (2022: 5). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2022: £10 per member).

**d) Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**e) Income**

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 19.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case-by-case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**f) Expenditure**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**g) Intangible fixed assets and amortisation**

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line
---------	-------------------

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

**h) Tangible fixed assets and depreciation**

Individual tangible fixed assets costing £100 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line
Leasehold improvements	10% straight line or over the lease term if less than 10 years
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

**j) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**k) Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

Where the Charity has a legal obligation, a dilapidations provision is created. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

**l) Financial instruments**

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity had also held some quoted investments with Investec which were revalued to market value at each balance sheet date; gains or losses were taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of cost using the effective interest rate method. Further details are in note 20.

**m) Pensions**

Employees of the Charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 12.

**n) Operating leases**

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

**o) Taxation**

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**p) Programme related investments**

Programme related investments consist of properties rented to Associated Red Balloon Centres. They are held at cost less any provision for impairment.

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**RED BALLOON EDUCATIONAL TRUST**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**q) Significant Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2 Donations and grants**

	2023 £	2022 £
Donations	145,148	317,773
Grants	284,018	288,387
	<u>429,166</u>	<u>606,160</u>

Included within donations received are restricted funds of £46,529 (2022: £178,346) and unrestricted funds of £98,619 (2022: £139,427). Included within grants received are restricted funds of £168,018 (2022: £172,456) and unrestricted funds of £116,000 (2022: £115,931).

**3 Income from Charitable Activities**

	2023 £	2022 £
Levies and recharges to Red Balloon Centres	45,084	48,969
Teaching and support of bullied, traumatised or highly anxious children	2,344,815	1,475,032
	<u>2,389,899</u>	<u>1,524,001</u>

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

**4 Other trading activities**

	2023 £	2022 £
Fundraising events	2,581	147,450
	<u>2,581</u>	<u>147,450</u>

Included within fundraising income are restricted funds of £Nil (2022: £31,025) and unrestricted funds of £2,581 (2022: £116,425). A Giving Dinner event was held in the prior year in October 2021, at which donors made pledges totalling £142,575.

**5 Investment income**

	2023 £	2022 £
Rents received	60,075	123,000
Dividends	-	1,454
Deposit account interest	22,443	849
	<u>82,518</u>	<u>125,303</u>

Included within investment income are restricted funds of £Nil (2022: £2). All remaining investment income relate to unrestricted funds.

**6 Other income**

	2023 £	2022 £
Profit on sale of fixed assets	-	1,537
	<u>-</u>	<u>1,537</u>

**7 Analysis of expenditure by activity – current year**

	Direct costs £	Grant funding £ (note 10)	Support costs £ (note 8)	2023 costs £
Costs of raising funds	49,717	-	26,469	76,186
<b>Charitable activities:</b>				
Advance the education of students at Red Balloons	238,801	25,596	148,906	413,303
Teaching and support of bullied, traumatised or highly anxious children	1,976,283	-	155,490	2,131,773
	<u>2,215,084</u>	<u>25,596</u>	<u>304,396</u>	<u>2,545,076</u>
	<u>2,264,801</u>	<u>25,596</u>	<u>330,865</u>	<u>2,621,262</u>

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Analysis of expenditure by activity – prior year**

	Direct costs £	Grant funding £ (note 10)	Support costs £ (note 8)	2022 costs £
Costs of raising funds	40,716	-	29,925	70,641
<b>Charitable activities:</b>				
Advance the education of students at Red Balloons	289,961	33,767	193,244	516,972
Teaching and support of bullied, traumatised or highly anxious children	1,429,218	-	150,893	1,580,111
	<u>1,719,179</u>	<u>33,767</u>	<u>344,137</u>	<u>2,097,083</u>
	<u>1,759,895</u>	<u>33,767</u>	<u>374,062</u>	<u>2,167,724</u>

Expenditure in 2023 related to restricted funds was £179,525 (2022: £198,456) and unrestricted funds was £2,441,737 (2022: £1,969,268).

**8 Analysis of support costs**

	2023 £	2022 £
Finance and professional	100,505	155,478
Bank charges	360	887
Communication	21,965	16,013
Insurance	34,291	32,344
Rent, rates and mortgage interest	21,994	52,890
Repairs and maintenance	30,192	14,041
General office expenses	10,101	2,886
Other staff costs	90,630	65,638
Governance costs (note 9)	20,827	33,885
	<u>330,865</u>	<u>374,062</u>

**9 Analysis of governance costs**

	2023 £	2022 £
Auditors' fees		
- for audit services	16,200	26,308
- for non-audit services	4,627	7,577
	<u>20,827</u>	<u>33,885</u>

All expenditure on governance costs is spent from unrestricted funds in 2023 and 2022.

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**10 Grants to individuals**

	Number	Total 2023 £	Number	Total 2022 £
Bursaries	<u>5</u>	<u>25,596</u>	<u>8</u>	<u>33,767</u>

The average bursary per student in 2023 was £5,119 (2022: £4,221).

**11 Analysis of staff costs and key management personnel**

	2023 £	2022 £
Wages and salaries	1,834,430	1,366,532
Social security costs	154,055	106,962
Pension	37,987	27,539
	<u>2,026,472</u>	<u>1,501,033</u>

The average monthly head count during the year was as follows:

	2023 Number	2022 Number
Charitable activities	<u>86</u>	<u>72</u>

The number of higher paid employees was as follows:

	2023 Number	2022 Number
In the band £60,000 - £70,000	<u>1</u>	<u>1</u>

The employers pension contributions in relation to the above higher paid employees was £1,321 (2022: £1,321).

The charity considers its key management personnel to comprise of 4 people (4 people in the prior year). Total aggregate remuneration of key management personnel was £257,102 (2022: £201,580). During the year, £Nil (2022: £5,929) of the employment benefit of these were paid by Red Balloon of the Air and £257,102 (2022: £195,651) were paid by the parent company, Red Balloon Educational Trust.

Total termination payments made were £1,391 (2022: £7,893).

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £Nil). Expenses paid to the trustees in the year totalled £234 (2022: £105). These expenses were in relation to 1 (2022: 1) trustee reimbursed for their travel expenses of £234 (2022: £79) and fees for their documents certification required by the Charity of £Nil (2022: £26).

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**12 Pension costs**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £37,987 (2022: £27,539). No pension contributions (2022: £Nil) were payable to the fund at the balance sheet date.

**13 Net income**

	2023 £	2022 £
Net income is stated after charging:		
Amortisation of intangible assets owned by the charity	5,167	5,168
Depreciation of charitable assets owned by the group	49,994	17,456
(Profit) on sale of fixed assets	-	(1,537)
Loss on sale of fixed assets	82	98
Operating lease payments: land and buildings	28,521	116,444
Operating lease payments: other	1,315	-
Impairment of programme related investment	-	47,223
Auditors remuneration:		
- for audit services	16,200	26,308
- for non-audit services	4,627	7,577
	<u>4,627</u>	<u>7,577</u>

**14 Intangible fixed assets**

Group and Charity	Website £
<b>Cost:</b>	
At 1 September 2022	20,670
Additions	-
At 31 August 2023	<u>20,670</u>
<b>Amortisation:</b>	
At 1 September 2022	15,503
Charge for the year	5,167
At 31 August 2023	<u>20,670</u>
<b>Net book value:</b>	
At 31 August 2022	<u>5,167</u>
At 31 August 2023	<u>-</u>

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**15 Tangible fixed assets**

Group and Charity	Land and buildings £	Leasehold improvements £	Fixtures & fittings, office and computer equipment £	Total £
<b>Cost:</b>				
At 1 September 2022	912,221	42,949	41,819	996,989
Additions	-	7,094	89,691	96,785
Disposals	-	-	(8,269)	(8,269)
Reclassification from programme related investments (note 17)	700,740	-	-	700,740
At 31 August 2023	<u>1,612,961</u>	<u>50,043</u>	<u>123,241</u>	<u>1,786,245</u>
<b>Depreciation:</b>				
At 1 September 2022	5,040	2,070	9,790	16,900
Charge for the year	22,040	5,112	22,842	49,994
Eliminated on disposals	-	-	(4,768)	(4,768)
At 31 August 2023	<u>27,080</u>	<u>7,182</u>	<u>27,864</u>	<u>62,126</u>
<b>Net book value:</b>				
At 31 August 2022	<u>907,181</u>	<u>40,879</u>	<u>32,029</u>	<u>980,089</u>
At 31 August 2023	<u>1,585,881</u>	<u>42,861</u>	<u>95,377</u>	<u>1,724,119</u>

Land and buildings in Group and the Charity include 37 High Street, Milton, which was purchased in April 2022 and 76 Earham Road, Norwich, which had been leased to Red Balloon Norwich until 30 September 2022. The property was reclassified on this date.

Outstanding mortgages of £908,053 (2022: £594,667) in relation to the properties are secured on the properties included in land and buildings in Group and the Charity.

**RED BALLOON EDUCATIONAL TRUST**  
(a company limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**16 Fixed asset investments**

Group and Charity	2023 £	2022 £
Investments are allotted to each range as follows:		
UK Unit Trust	-	-
Equities	-	-
	<u>-</u>	<u>-</u>
Listed Investments	-	-
Cash	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>LISTED INVESTMENTS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At market value:		
Quoted at 1 September	-	64,739
Additions - donated investments	-	213
(Losses)/Gains on investments	-	(8,373)
Disposal	-	(56,579)
	<u>-</u>	<u>-</u>
At 31 August	<u>-</u>	<u>-</u>
Historical cost of investment	<u>-</u>	<u>-</u>

**17 Programme Related Investments**

Group and Charity	£
<b>Properties rented to other Red Balloon Centres:</b>	
<b>Cost or valuation:</b>	
At 31 August 2022	2,672,881
Disposal	(700,000)
Reclassification to tangible fixed assets (note 15)	(700,740)
	<u>1,272,141</u>
At 31 August 2023	<u>1,272,141</u>
<b>Net book value:</b>	
At 31 August 2022	<u>2,672,881</u>
At 31 August 2023	<u>1,272,141</u>

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**Programme related investments represented by:**

	2023 £	2022 £
76 Earlham Road, Norwich	-	700,740
220-222 Kings Road, Reading	545,762	545,762
13 Kenton Road, Harrow	-	700,000
57 Warkworth Terrace, Cambridge	726,379	726,379
	<u>1,272,141</u>	<u>2,672,881</u>
<b>Total</b>	<b>1,272,141</b>	<b>2,672,881</b>

Outstanding mortgages of £517,843 (2022: £1,297,121) in Group and in the Charity in relation to the properties are secured on the properties listed above.

£Nil (2022: £700,000) and £1,272,141 (2022: £1,972,881) of the programme related investments are included within current and fixed assets respectively. The property at 13 Kenton Road, Harrow was included in current assets in the prior year as it was sold to Red Balloon Learner Centre NW London for £700,000 in September 2022 and the mortgage repaid.

Impairment of £47,223 in relation to this property was recognised in the prior year.

**18 Debtors: amounts falling due within one year**

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	9,330	76,469	9,330	76,469
Amounts owed by group undertakings	-	-	-	968
Amounts owed by other Red Balloon Centres	15,082	9,257	15,082	9,257
Prepayments and accrued income	84,309	103,516	84,309	102,143
Rent deposit	-	24,544	-	24,544
Other debtors	302	140	302	140
	<u>109,023</u>	<u>213,926</u>	<u>109,023</u>	<u>213,521</u>

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**19 Creditors: amounts falling due within one year**

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	36,491	21,652	36,491	21,652
Amounts owed to group undertakings	-	-	24,023	14,642
Amounts owed to other Red Balloon centres	1,417	1,216	1,417	1,216
Social security and other taxes	39,836	26,489	39,836	26,489
Other creditors and accruals	50,630	71,591	50,630	62,969
Deferred income	67,851	209,404	67,851	209,404
Mortgages due within one year	43,662	42,314	43,662	42,314
	<u>239,887</u>	<u>372,666</u>	<u>263,910</u>	<u>378,686</u>

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Deferred income at 1 September	209,404	206,358	209,404	-
Resources deferred during the year	67,851	209,404	67,851	209,404
Amounts released from previous years	(209,404)	(206,358)	(209,404)	-
Deferred income at 31 August	<u>67,851</u>	<u>209,404</u>	<u>67,851</u>	<u>209,404</u>

Deferred income relates to school autumn term fees, invoiced in advance of £64,851 (2022: £209,404) and rent invoiced a month in advance of £3,000 (2022: £Nil), both being unrestricted income.

**20 Creditors: amounts falling due after more than one year**

**Group and Charity**

	2023 £	2022 £
Mortgages	1,382,234	1,849,474
Amounts owed to other Red Balloon centres	10,732	10,732
	<u>1,392,966</u>	<u>1,860,206</u>

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	2023 £	2022 £
Due within 2-5 years	312,917	204,341
Due after more than 5 years	1,080,049	1,655,865
	<u>1,392,966</u>	<u>1,860,206</u>

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Mortgages are secured on the properties concerned. In addition, there is a debenture in relation to the Milton property mortgage, which contains a floating charge and a negative pledge.

The mortgages for the Cambridge and Norwich properties are with The Cambridge Building Society, the Reading property with Saffron Building Society and the Milton property with CAF Bank. The mortgage for the Harrow property was with The Cambridge Building Society. The mortgages are interest only, except for the Milton property and 58% (2022: 61%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:	2023 %	2022 %
76 Earham Road, Norwich	8.64	5.64
220-222 Kings Road, Reading	8.79	6.19
13 Kenton Road, Harrow	-	5.64
57 Warkworth Terrace, Cambridge	8.64	5.64
37 High Street, Milton	<u>4.23</u>	<u>4.23</u>

The mortgage interest on the Milton property is fixed for the first five years (commencement 6 April 2022). All other mortgages are on variable interest rates.

**21 Provisions for liabilities**

**Group and Charity**

	Dilapidations	
	2023 £	2022 £
At 1 September	-	-
Added in the current period	20,000	-
At 31 August	<u>20,000</u>	<u>-</u>

**22 Capital commitments**

As at 31 August 2023 the Charity had contracted to purchase fixtures & fittings amounting to £15,768 (2022: £Nil). This has not been provided for.

The Charity held restricted funds at the year end of £45,741 (2022: £Nil) for the purchase of laptops, to be spent in the following year.

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**23 Operating leases - lessee**

Total future minimum lease payments under non-cancellable operating leases are as follows:

**Land and Buildings**

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Within one year	24,904	21,189	24,904	11,977
Within two to five years	123,506	120,897	123,506	120,897
After more than five years	153,912	181,425	153,912	181,425
	<u>302,322</u>	<u>323,511</u>	<u>302,322</u>	<u>314,299</u>

With the agreement of Red Balloon of the Air, Red Balloon Educational Trust issued the landlord of Winship House with notice in February 2021 that Red Balloon had exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28 September 2021.

A Deed of Variation was signed in September 2021, allowing Red Balloon of the Air and the Charity to remain in the property beyond this date on 4 months notice. The earliest date on which the tenancy could have ended under the new terms was 1 February 2022. 4 months notice was issued in April 2022 and the lease ended in August 2022.

In March 2022, a 15 year lease was enacted for a property at 52-54 Windsor Road, Worthing. Red Balloon Worthing, a new Centre, opened to students at these premises in September 2022. See note 27 Related Party Transactions.

In April 2023, Red Balloon of the Air signed a Deed of Surrender on the Danbury property lease and Red Balloon Educational Trust signed a new 5 year lease for the property.

**Other**

	2023 £	2022 £
Group and Charity		
Within one year	5,962	-
Within two to five years	10,586	-
	<u>16,548</u>	<u>-</u>

Included within other operating lease commitments are photocopier leases in the name of the charity.

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**24a Funds analysis – current year**

Group	Balance at 1/9/2022 £	Income £	Expenditure £	Transfers £ (note 24c)	Balance at 31/8/2023 £
General Funds	785,520	2,689,617	(2,441,737)	235,808	1,269,208
Designated Funds:					
- Intangible & tangible fixed assets	390,589	-	-	425,477	816,066
- Programme related investments	1,375,760	-	-	(621,462)	754,298
<b>Total unrestricted funds</b>	<u>2,551,869</u>	<u>2,689,617</u>	<u>(2,441,737)</u>	<u>39,823</u>	<u>2,839,572</u>
<b>Restricted funds</b>					
Bursaries	85,412	10	(25,596)	-	59,826
Funding for staff training	30,111	-	(1,983)	-	28,128
Funding to further develop and expand the Red Balloon provision	17,913	23,265	(33,464)	-	7,714
Other restricted donations for IT and other equipment, teachers, interns etc 37 High Street, Milton property & refurbishment	35,447	191,272	(96,726)	(10,496)	119,497
	53,500	-	(21,756)	(29,327)	2,417
<b>Total restricted funds</b>	<u>222,383</u>	<u>214,547</u>	<u>(179,525)</u>	<u>(39,823)</u>	<u>217,582</u>
<b>Total funds</b>	<u>2,774,252</u>	<u>2,904,164</u>	<u>(2,621,262)</u>	<u>-</u>	<u>3,057,154</u>
<b>Charity</b>					
General Funds	754,715	2,689,500	(2,441,677)	235,808	1,238,346
Designated Funds:					
- Intangible & tangible fixed assets	390,589	-	-	425,477	816,066
- Programme related investments	1,375,760	-	-	(621,462)	754,298
<b>Total unrestricted funds</b>	<u>2,521,064</u>	<u>2,689,500</u>	<u>(2,441,677)</u>	<u>39,823</u>	<u>2,808,710</u>
<b>Restricted funds</b>					
Bursaries	85,412	10	(25,596)	-	59,826
Funding for staff training	30,111	-	(1,983)	-	28,128
Funding for expansion of the Red Balloon provision	17,913	23,265	(33,464)	-	7,714
Other restricted donations for IT and other equipment, teachers, interns etc 37 High Street, Milton refurbishment	35,447	191,272	(96,726)	(10,496)	119,497
	53,500	-	(21,756)	(29,327)	2,417
<b>Total restricted funds</b>	<u>222,383</u>	<u>214,547</u>	<u>(179,525)</u>	<u>(39,823)</u>	<u>217,582</u>
<b>Total funds</b>	<u>2,743,447</u>	<u>2,904,047</u>	<u>(2,621,202)</u>	<u>-</u>	<u>3,026,292</u>

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**24b Funds analysis – prior year**

	Balance at 1/9/2021 £	Income £	Gains and losses & Expenditure £	Transfers £ (note 24c)	Balance at 31/8/2022 £
<b>Group</b>					
General Funds	927,214	2,022,622	(1,930,418)	(233,898)	785,520
Designated Funds:					
- Intangible & tangible fixed assets	28,000	-	-	362,589	390,589
- Programme related investments	1,398,661	-	(47,223)	24,322	1,375,760
<b>Total unrestricted funds</b>	<b>2,353,875</b>	<b>2,022,622</b>	<b>(1,977,641)</b>	<b>153,013</b>	<b>2,551,869</b>
<b>Restricted funds</b>					
Bursaries	101,941	17,246	(33,775)	-	85,412
Funding for staff training	32,396	-	(2,285)	-	30,111
Funding to further develop and expand the Red Balloon provision	30,290	62,804	(26,418)	(48,763)	17,913
Other restricted donations for IT and other equipment, teachers, interns etc	27,396	123,279	(115,016)	(212)	35,447
37 High Street, Milton property & refurbishment	-	178,500	(20,962)	(104,038)	53,500
<b>Total restricted funds</b>	<b>192,023</b>	<b>381,829</b>	<b>(198,456)</b>	<b>(153,013)</b>	<b>222,383</b>
<b>Total funds</b>	<b>2,545,898</b>	<b>2,404,451</b>	<b>(2,176,097)</b>	<b>-</b>	<b>2,774,252</b>
<b>Charity</b>					
General Funds	556,906	1,898,331	(1,561,565)	(138,957)	754,715
Designated Funds:					
- Intangible & tangible fixed assets	11,239	-	-	379,350	390,589
- Programme related investments	1,398,661	-	(47,223)	24,322	1,375,760
<b>Total unrestricted funds</b>	<b>1,966,806</b>	<b>1,898,331</b>	<b>(1,608,788)</b>	<b>264,715</b>	<b>2,521,064</b>
<b>Restricted funds</b>					
Bursaries	101,941	17,246	(33,775)	-	85,412
Funding for staff training	32,396	-	(2,285)	-	30,111
Funding for expansion of the Red Balloon provision	16,898	74,738	(24,960)	(48,763)	17,913
Other restricted donations for IT and other equipment, teachers, interns etc	17,616	132,482	(114,439)	(212)	35,447
37 High Street, Milton property & refurbishment	-	178,500	(20,962)	(104,038)	53,500
RBAir education activity	-	340,275	(228,573)	(111,702)	-
<b>Total restricted funds</b>	<b>168,851</b>	<b>743,241</b>	<b>(424,994)</b>	<b>(264,715)</b>	<b>222,383</b>
<b>Total funds</b>	<b>2,135,657</b>	<b>2,641,572</b>	<b>(2,033,782)</b>	<b>-</b>	<b>2,743,447</b>

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**24c Funds analysis – fund types**

During the year, there were net transfers from restricted to unrestricted funds of £39,823 (2022: £153,013) in the Group and £39,823 (2022: £264,715) in the Charity.

In the Group and the Charity in the current year, £39,823 was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £29,327 for refurbishment capital expenditure at the Milton property, made up of £27,373 on fixtures and fittings and £1,954 on computer equipment. £986 for leasehold improvements at the Worthing property, a further £9,315 for computer equipment and £195 for office equipment.

In the prior year, £366,412 was included within restricted income in the Charity in relation to the funds transferred from Red Balloon of the Air on 12 October 2021, the date on which the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to the Charity. £26,137 of this was restricted in Red Balloon of the Air and £340,275 was unrestricted in Red Balloon of the Air, which became restricted on transfer. £111,702 was used as RBAir's contribution to the purchase of the Milton property and therefore transferred from restricted to unrestricted (designated) funds. The remaining £228,573 was spent on RBAir education activity salaries.

In the Group in the prior year, £153,013 was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £100,000 for the purchase of the Milton property, £42,949 for leasehold improvements at the Worthing property and £10,064 for fixtures & fittings.

In the Charity in the prior year, £264,715, including the £111,702 RBAir contribution to the Milton property, was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £211,702 in total for the purchase of the Milton property, £42,949 for leasehold improvements at the Worthing property and £10,064 for fixtures & fittings.

**Restricted Funds**

- Bursaries fund – Grants and donations received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Staff training and development fund – Funds awarded for general staff development and for the staff conference.
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including grants totalling £6,188 (2022: £Nil) and £Nil (2022: £38,118) specifically for the establishment of new Centres in Aylesbury and Worthing respectively.
- Other restricted donations fund – Individual grants and donations for specific resources. These have contributed towards the purchase of laptops and other educational resources, as well as funding certain teaching, managerial and administration posts.
- 37 High Street, Milton property & refurbishment – Grants and donations received to either contribute towards the purchase or enable the move and for property improvements/adjustments at the new Milton property.
- RBAir education activity – Funds which were unrestricted in Red Balloon of the Air which became restricted to the RBAir provision, on transfer to the Charity (see above).

**Designated Funds used for the purposes of fixed assets**

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

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**25a Analysis of net assets by funds – current year**

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,724,119	1,724,119
Programme related investments	-	1,272,141	1,272,141
Current assets	217,582	1,496,165	1,713,747
Creditors due within one year	-	(239,887)	(239,887)
Creditors due in more than one year	-	(1,392,966)	(1,392,966)
Provisions for liabilities	-	(20,000)	(20,000)
	<u>217,582</u>	<u>2,839,572</u>	<u>3,057,154</u>
<b>Charity</b>	<b>£</b>	<b>£</b>	<b>£</b>
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,724,119	1,724,119
Programme related investments	-	1,272,141	1,272,141
Current assets	217,582	1,489,326	1,706,908
Creditors due within one year	-	(263,910)	(263,910)
Creditors due in more than one year	-	(1,392,966)	(1,392,966)
Provisions for liabilities	-	(20,000)	(20,000)
	<u>217,582</u>	<u>2,808,710</u>	<u>3,026,292</u>

**25b Analysis of net assets by funds – prior year**

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	5,167	5,167
Tangible fixed assets	-	980,089	980,089
Programme related investments	-	2,672,881	2,672,881
Current assets	222,383	1,126,604	1,348,987
Creditors due within one year	-	(372,666)	(372,666)
Creditors due in more than one year	-	(1,860,206)	(1,860,206)
	<u>222,383</u>	<u>2,551,869</u>	<u>2,774,252</u>
<b>Charity</b>	<b>£</b>	<b>£</b>	<b>£</b>
Intangible fixed assets	-	5,167	5,167
Tangible fixed assets	-	980,089	980,089
Programme related investments	-	2,672,881	2,672,881
Current assets	222,383	1,101,819	1,324,202
Creditors due within one year	-	(378,686)	(378,686)
Creditors due in more than one year	-	(1,860,206)	(1,860,206)
	<u>222,383</u>	<u>2,521,064</u>	<u>2,743,447</u>

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**26 Events after the balance sheet date**

Following a successful pre-registration inspection, Red Balloon Educational Trust Norfolk, based at 76 Earham Road, Norwich, was formally registered as an independent special school with the Department for Education on 11 January 2024. The first students started in March 2024.

In November 2023, the William Harding's Charity agreed to purchase and refurbish a property in Aylesbury to open a Red Balloon Educational Trust Centre, subject to obtaining the required planning permission. This work is underway.

**27 Related party transactions**

**Analysis of Red Balloon related parties – current year**

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	-	24,023	-	10,349
Red Balloon Norwich	15,082	-	61,336	-
Red Balloon Reading	-	39	41,273	-
Red Balloon Cambridge	-	12,071	59,340	-
Red Balloon NW London	-	40	93,666	-
	<u>15,082</u>	<u>36,173</u>	<u>255,615</u>	<u>10,349</u>

**Analysis of Red Balloon related parties – prior year**

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	968	14,642	24,932	25,721
Red Balloon Norwich	9,257	351	124,900	-
Red Balloon Reading	-	29	40,146	-
Red Balloon Cambridge	-	11,528	69,227	-
Red Balloon NW London	-	40	106,753	-
	<u>10,225</u>	<u>26,590</u>	<u>365,958</u>	<u>25,721</u>

Red Balloon of the Air was a fully owned subsidiary for the full year (2022: full year). On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to their lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust.

See note 28.

The property at 13 Kenton Road, Harrow, included as programme related investments under current assets in the prior year, was sold to Red Balloon Learner Centre NW London for £700,000 in September 2022 (see note 17).

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In March 2022, the Charity entered into a lease agreement for a property at 52-54 Windsor Road, Worthing with Solewild Ltd, a company in which Mr. N Munday, who was appointed as a Trustee of Red Balloon Educational Trust on 5 October 2022, is the sole Director. During the year the Charity incurred expenditure totaling £18,690 (2022: £9,738) in relation to Solewild Ltd, which includes rent of £15,795 (2022: £7,100) and £2,895 (2022: £2,638) for other Worthing property-related costs, including insurance. At the year end, a balance of £Nil (2022: £4,777) was owed by the Charity to Solewild Ltd, included in trade creditors and a balance of £2,292 (2022: £Nil) was owed by Solewild Ltd to the Charity, included in trade debtors. Prepayments of £3,483 (2022: £2,400) and an accrual for the lease incentive of £15,293 (2022: £5,521) are also recorded at the year end.

There are no other related party transactions to note.

**28 Principal subsidiary**

The following is a 100% owned subsidiary undertaking of the Charity:

Company name	Country	Company Number	Charity Number
Red Balloon of the Air	England and Wales	07328440	1138657

Red Balloon of the Air is a company limited by guarantee and a registered charity. Total funds as at 31 August 2023 were £30,862 (2022: £30,806), which comprised of assets of £30,862 (2022: £40,396) and liabilities of £Nil (2022: £9,590). The charity had income during the year of £10,466 (2022: £176,068) and expenditure of £10,409 (2022: £555,505), giving net income for the year ended 31 August 2023 of £57 (2022: net expenditure £379,437).

On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to the Charity. £366,412 was included in Red Balloon of the Air's expenditure during the prior year, which represented the donation made by Red Balloon of the Air to Red Balloon Educational Trust on transfer. These funds were received in the Charity as restricted income (see note 24c).

**29 Reconciliation of net expenditure to net cash flow from operating activities**

	2023 £	2022 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>282,902</b>	<b>228,354</b>
<b>Adjustments for:</b>		
Amortisation charges	5,167	5,168
Depreciation charges	49,994	17,456
Loss / (Net profit) on disposal of tangible fixed assets	82	(1,439)
Impairment of programme related investments	-	47,223
Losses on investments	-	8,373
Investment management charges	-	600
Donation as investments	-	(213)
Decrease in debtors	104,903	28,913
Decrease in creditors	(134,127)	(41,324)
Increase in provisions	20,000	-
<b>Net cash provided by operating activities</b>	<b>328,921</b>	<b>293,111</b>

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**30 Analysis of changes in net debt**

	Balance at 1/9/2022 £	Cash flows £	Other non- cash changes £	Balance at 31/8/2023 £
<b>Cash and cash equivalents:</b>				
Cash	1,135,061	469,663	-	1,604,724
<b>Borrowings:</b>				
Debt due within one year	(42,314)	41,724	(43,072)	(43,662)
Debt due after one year	(1,849,474)	424,168	43,072	(1,382,234)
	(1,891,788)	465,892	-	(1,425,896)
<b>Total</b>	<b>(756,727)</b>	<b>935,555</b>	<b>-</b>	<b>178,828</b>

Borrowings relate to mortgages on the 4 (2022: 5) properties owned by Red Balloon Educational Trust.



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for the year ended 31 August 2023

Registration No. 5385341  
(England and Wales)  
Charity No. 1109606

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